

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW AND ADJUSTMENT OF
SUPPORT ORDERS**



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EXECUTIVE SUMMARY

PURPOSE

This inspection describes the States' methods of reviewing and adjusting child support orders since welfare reform.

BACKGROUND AND METHODOLOGY

The Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) of 1996 substantially changed States' responsibilities to review and adjust child support orders. Under PRWORA, periodic reviews of child support orders are no longer required. Child Support Enforcement agencies (called IV-D agencies) are required to notify all parents, public assistance and non-public assistance, custodial and non-custodial, every 3 years, of their rights to request reviews of their child support orders. The IV-D agencies must conduct a parent-requested review if none has been performed within the last 3 years. States may act on behalf of public assistance custodial parents and initiate a review.

To obtain information on how States now address review and adjustment of child support orders, we surveyed the IV-D directors in all States. In addition to this survey, we collected more in-depth information through site visits to 10 States: New York, Massachusetts, Vermont, Michigan, Minnesota, Iowa, Mississippi, Oklahoma, Nevada and Oregon.

Subsequent to our field work and draft report, the President issued the proposed fiscal year 2000 budget calling for the restoration of the periodic review of public assistance child support orders. In our draft report, we urged a reevaluation of Federal review and adjustment policies in light of the merits of periodic reviews as demonstrated by the OIG's past research, other recent research cited in this report, and caseworker interviews. The findings and recommendations in this report speak to current conditions and suggest ways to improve the current processes. Our recommendations will still apply if the review and adjustment changes the Administration proposes become law.

FINDINGS

Thirty-two States have discontinued or plan to discontinue the triennial review of public assistance cases. As a result, most child support orders will not be reviewed unless a parent requests the review or a IV-D worker elects to initiate a review.

Twenty-eight States no longer review all of their public assistance child support orders every 3 years as previously required under Federal law. Four additional States plan to discontinue the triennial review by the year 2000. Of the eight States with the largest volume of child support orders, only Ohio plans to continue to review all public assistance child support orders every 3

years. Most of the States will rely on parental requests and caseworker discretion to initiate reviews.

We have concerns about four implementation issues: notification of parents of the right to request a review, medical support, collection of basic data and downward adjustments.

Nine States do not have plans to notify parents of their right to request a review of their child support order every 3 years and therefore may be out of compliance with Federal law. In the majority of States we visited, local offices do not always adjust orders to add medical support when it is found to be available in a review. Most States have very little data on the reviews and adjustments the State conducts. Many States treat downward adjustments of support orders differently than upward adjustments.

Increased computer system capabilities and a focus on administrative rather than judicial remedies facilitate the review and adjustment process.

Improvements in automated systems, the use of child support guidelines and an increasing reliance on administrative rather than judicial processes have converged to make review and adjustment simpler and less resource intensive for the local office caseworker.

The majority of caseworkers interviewed said that periodic IV-D initiated reviews are worthwhile to conduct.

While no States have cost-benefit data on their overall review and adjustment process, the majority of caseworkers we interviewed felt that the benefits of conducting reviews outweighed the costs. Likewise, the results of a modification demonstration project in Genesee County, Michigan and a November 1997 Assistant Secretary for Planning and Evaluation report highlight the benefits of conducting periodic reviews.

RECOMMENDATIONS

As noted above, the President has included a proposal to restore periodic reviews in his fiscal year 2000 budget. This proposal is responsive to our findings of reduced State review activity, process improvements, and the merits of a triennial review policy. In addition to the proposed 3 year review of support orders for TANF families, we feel the Office of Child Support Enforcement should:

Remind States that they are required to notify parents every 3 years of their right to request a review of child support orders.

The PRWORA requires States to provide notice to parents every 3 years, informing them of their right to request a review of their order. Since some States are unclear on this point, the Office of

Child Support Enforcement (OCSE) should provide State IV-D agencies with clarification on this requirement.

Urge States to use the review and adjustment process as an opportunity to ensure that medical support is provided.

The OCSE should urge States to use the review and adjustment process as an opportunity to ensure that medical support is provided if and when it is available. Where needed, OCSE should also work with IV-D agencies to encourage the judiciary in their State to adjust cases to add medical support even if no monetary change to the support order will occur.

Encourage States to collect basic data on the review and adjustment process as well as cost-benefit data including requests for downward modifications.

Most States do not have any data on the review and adjustment process. These States are unable to report information on reviews they conduct or the success of these reviews. The OCSE should encourage States to track basic information on the reviews the IV-D offices initiate, the reviews the offices conduct in response to parental requests, including requests for downward adjustments, and the costs and benefits of these reviews.

Encourage States to review child support orders for families leaving welfare

In addition to periodically reviewing support orders on public assistance cases, reviews targeted to parents exiting from TANF warrant particular attention. Reviews conducted as parents exit from TANF would likely benefit the government through reduced welfare recidivism and avoidance of the costs associated with receipt of other public benefits. By referring cases near welfare exit to the local child support office for review, TANF agencies may contribute to the families' self-sufficiency when off welfare and help government avoid the costs of further dependence on public benefits. This type of coordination would serve as a good example of how TANF and Child Support agencies can work together to achieve the goals of welfare reform.

AGENCY COMMENTS

All agency comments were made to our draft report which preceded the President's proposed budget. That proposal calls for a restoration of the triennial review of child support orders by States on public assistance cases. The Assistant Secretary for Children and Families (ACF) and the Assistant Secretary for Management and Budget (ASMB) provided formal comments to the draft report, while ASPE provided informal comments. All concurred with the report's findings and recommendations and offered suggestions for clarifying the report and making technical changes. Where appropriate, we changed the report to reflect their comments.

Among other things, ACF asked that we recognize their efforts in providing information on review and adjustments. We added language to the body of the report that recognizes steps that ACF has made in this area. The ASMB, while agreeing with the recommendations in our draft report, had questions about the cost of reevaluating Federal review and adjustment policies. In light of the President's budget proposal, we eliminated this recommendation. The ACF and ASMB comments are included in Appendix B.